

**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

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**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

State Capitol, Room 113  
Sacramento, CA

Minutes of Meeting  
September 7, 2006

**COMMISSIONERS PRESENT**

Cathie Bennett Warner, Chair  
Michele Burton, M.P.H.  
Diane Griffiths  
Vicki Marti

**CMAC STAFF PRESENT**

Keith Berger, Executive Director  
Enid Barnes  
Tacia Carroll  
Paul Cerles  
Denise DeTrano  
Holland Golec  
Katie Knudson  
Marilyn Nishikawa  
Becky Swol  
Michael Tagupa  
Mervin Tamai  
Karen Thalhammer

**EX-OFFICIO MEMBERS PRESENT**

Toby Douglas, Department of Health Services  
Anissa Nachman, Department of Finance

**I. Call to Order**

The September 7, 2006 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Chair Cathie Bennett Warner. A quorum was present.

**II. Approval of Minutes**

The August 10, 2006 meeting minutes were approved as prepared by CMAC staff.

### **III. Executive Director's Report**

Keith Berger, Executive Director, began his report by expressing CMAC's deepest sympathies to Commissioner Hughes and her family on the passing of her mother.

Regarding the Private Hospital Supplemental Fund, Mr. Berger said that CMAC staff has made significant progress on implementation of Round 2A. He said staff had planned to have amendments before the Commissioners today for action, but that plan was contingent on the California Department of Health Services (CDHS) being able to issue the FY 2006-07 Tentative DSH List, so this key component of the eligibility criteria could be confirmed and then the negotiations could be completed prior to today.

He noted that CDHS had been resolving some data issues associated with the eligibility calculations and just released the tentative list on the afternoon of September 6. CMAC staff is reviewing the list and will commence negotiations immediately with those hospitals meeting the initial eligibility criteria.

Mr. Berger continued by noting that the ultimate determination of a hospital's eligibility for payments in Round 2 will take place once the FY 2006-07 Final DSH List is published by CDHS later in the fiscal year. He said at that time CMAC will also begin Round 2B of the Private Hospital Supplemental Fund and the Nondesignated Public Hospital Supplemental Fund.

Mr. Berger informed the Commissioners that there were a total of 15 other amendments and contracts before them in closed session for their review and action today. He also noted that there were negotiation updates and several extended discussions scheduled regarding negotiation strategies and FY 2006-07 supplemental programs.

Mr. Berger welcomed Marilyn Nishikawa to the CMAC team. He said CMAC is excited to have someone of her caliber on board to help support staff operations. Mr. Berger also welcomed Anissa Nachman, of the Department of Finance. She will be attending CMAC meetings in place of Nathan Stanley, until Bob Sands' replacement is hired.

Mr. Berger concluded his report with a couple of administrative reminders for the Commissioners regarding CalPERS open enrollment for various benefits such as long term care insurance, health insurance and flex elect.

### **IV. Department of Health Services (CDHS) Report**

Toby Douglas, Assistant Deputy Director, Medical Care Services, CDHS, began his report by updating the Commission on the hospital financing waiver. He said that CDHS continues to work with public hospitals on the third State Plan Amendment (SPA), which addresses reimbursable costs for physicians. Mr. Douglas noted that CDHS recently met with the designated public hospitals (particularly the UC System) to decide how to define cost limits, and how they compare to commercial rates, as they must be below those rates. He said that public hospitals have been busy reviewing data to determine all of the costs they

deem reimbursable as part of out-patient physician contracted costs, which then have to be presented to Centers for Medicare & Medicaid Services (CMS) for approval. Mr. Douglas said that this could mean additional revenue for these hospitals. He said until the third component is completed, calculations of total dollar distributions to the hospitals would be unclear.

Regarding Medi-Cal Managed Care, Mr. Douglas informed CMAC the CDHS has contracted with Mercer Consulting to develop an analysis on ways to better develop CDHS's rate structures. He noted that CDHS would be releasing the final report in the coming months.

Mr. Douglas continued his report by updating CMAC on current bills being reviewed by CDHS. The first is SB 162, which establishes the Department of Public Health (DPH) and renames CDHS as the Department of Health Care Services (DHCS) and would transfer the responsibility for certain programs from the DHCS to the DPH.

The other bill that Mr. Douglas said would have a major affect on CDHS is the prescription drug discount program for uninsured Californians. He said this program will not be federally funded, but will be the responsibility of Medi-Cal.

#### **V. New Business/Public Comments/Adjournment**

There being no further new business and no comments from the public, Chair Cathie Bennett Warner recessed the open session. Chair Bennett Warner opened the closed session, and after closed session items were addressed, adjourned the closed session, at which time the Commission reconvened in open session. Chair Bennett Warner announced that the Commission had taken action on hospital and managed care contracts and amendments in closed session. The open session was then adjourned.